

From: Ken Worthy
To: Microsoft ATR
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Subject: Software monopolies and Microsoft

Hello.

The government's solution to its case against Microsoft, and its strategy in pursuing the case, are completely misguided and ineffective.

In short, MICROSOFT'S MONOPOLY MUST BE ELIMINATED, NOT MITIGATED, AT ITS SOURCE, BY FORCING THE CREATION OF OPEN STANDARDS, PARTICULARLY THE STANDARDIZATION OF THE INTERFACE BETWEEN THE OPERATING SYSTEM AND APPLICATIONS AND THE STANDARDIZATION OF FILE FORMATS, SUCH AS WORD PROCESSING DOCUMENT FORMATS.

The government has managed to get this case completely wrong. There is a fact about software development which is essential to Microsoft's position which has been obscured by the whole conversation. That's because the correct distinctions between more traditional technologies and software have not yet been discerned. This case is not, at its essence, about "unfair" practices, but rather about the very existence of a harmful and unnecessary monopoly control over what should be in the public domain--operating system and file format interface specifications. The fact is that monopoly proprietorship of operating system and file format interfaces is NOT essential to interoperability. A standard IS essential, and that standard will either be intentionally created/maintained, or it will be spontaneously generated by whichever company has an early market lead. In the case of the operating system / application interface, Microsoft was lucky enough to have an early lead, and its momentum in the control of the operating system interface has led to a huge market advantage which has only grown and will continue to do so. In addition, they have been able to parlay their position as controller of that standard into the monopoly control of yet more standards, particularly the file format standards for word processing and spreadsheets.

The very fact that the solutions arrived at involve simply penalizing Microsoft for unfair business practices and reforming those practices reveals that there is a real lack of understanding that it is not simply Microsoft's use of their defacto monopoly position that is harmful, but rather the very existence of that monopoly position, which, contrary to much of what they and others say is NOT essential for the health of the industry and innovation, but rather extremely DETRIMENTAL to those things. Evidence of the latter is the fact that Microsoft continues to produce defective, inefficient operating systems (which are continually purchased due to their monopoly position, NOT their quality), that are quite inferior to readily available alternatives which do not enjoy a monopoly hold on the operating system to application interface.

Microsoft's astounding success and wealth has been gained primarily due to their monopoly control over these interfaces. Because of that, they now should be forced to fund the creation of an independent industry consortium or standards board responsible for creating and developing the open interface standards, and they must be forced to conform to those standards in all of their products. At that point, the market will be truly open and free and other competitors will be able to actually compete with Microsoft. Microsoft knows full well that when this happens, their market hold will dissolve because other companies are more streamlined and efficient and will be able to produce these products at a fraction of the price. The result will be the release of the vast human resources now occupied by Microsoft, into more efficient and productive companies. This would be the most positive development in the software industry, perhaps ever.

These thoughts come from about 15 years' experience as a software developer and observer of the software industry. Now that I am in graduate school, I see firsthand many more of the negative effects of Microsoft's monopolies. In academia, as in much of the rest of society, word processing documents cannot usually be accessed by other people unless they are in Microsoft's proprietary "Word" .doc format. That is simply because it has become the defacto standard format. There is no reason why one company must control the defacto standard format; it could as well be controlled by an open standards board who are responsible for its maintenance and technical development. Also, we are effectively required by the defacto operating system standard to have Microsoft Office as our operating system for computers; this is because many of our scholars require certain programs which only work on that operating system. If Microsoft did not own the defacto standard operating system interface, ANY vendor would be able to produce operating systems which would run all of those applications that we need. The interface itself would be developed in such a way as to benefit consumers and the industry as a whole rather than being developed primarily at the discretion and for the benefit of a single company.

The fact that it is the operating system / application interface which Microsoft controls (and is the defacto standard) is obscured in most of the discussions that I have seen in this case. Government lawyers have ASSUMED that it is the operating system itself, rather than the interface to it which is central to the monopoly, but this is false. The following analogy should illustrate the point: In the world of transportation, imagine that one single company owned all of the information (and patents) needed to construct a road or highway (other companies might be able to make railroads, for which the exact design specifications are public knowledge). This company basically owns the interface between roads and cars. Other companies can produce cars to drive on their roads (because they publish that side of their interface), but other companies cannot produce roads on which those same cars can drive, because patent law

prohibits them from building roads to those secret, proprietary specifications--the road/car interface specification. You would think it is absurd, but this is exactly the situation we are in with software. One company got an early lead in producing desktop operating systems, gained momentum from the market's deep need for a standard interface, and has reaped the rewards ever since, to the detriment of industry and consumers.

Please make Microsoft give up its proprietary control of operating system and file format interface specifications, and create an open standards board to administer industry-wide standards for these things.

Thank you very much,

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